

FRANK PALLONE, JR., NEW JERSEY  
CHAIRMAN

GREG WALDEN, OREGON  
RANKING MEMBER

ONE HUNDRED SIXTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

July 30, 2019

James E. Mathews, Ph.D.  
Medicare Payment Advisory Commission  
425 I Street NW, Suite 701  
Washington, DC 20001

Dear Dr. Mathews:

Thank you for appearing before the Subcommittee on Health on Tuesday, April 30, 2019 at the hearing entitled "Prescription Drug Coverage in the Medicare Program." We appreciate the time and effort you gave as a witness before the Subcommittee.

Pursuant to Rule 3 of the Committee on Energy and Commerce, members are permitted to submit additional questions to the witnesses for their responses, which will be included in the hearing record. Attached are questions directed to you from me and certain members of the Committee. In preparing your answers to these questions, please address your responses to the member who has submitted the questions using the Word document provided with this letter.

To facilitate the publication of the hearing record, please submit your responses to these questions by no later than the close of business on Friday, August 9, 2019. As previously noted, this transmittal letter and your responses will be included in the hearing record. Your written response should be transmitted by e-mail in the Word document provided with this letter to Josh Krantz, Policy Analyst with the Committee, at [josh.krantz@mail.house.gov](mailto:josh.krantz@mail.house.gov). You do not need to send a paper copy of your responses to the Committee. Using the Word document provided for submitting your responses will also help maintain the proper format for incorporating your answers into the hearing record.

James E. Mathews, Ph.D.  
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Thank you for your prompt attention to this request. If you need additional information or have other questions, please have your staff contact Mr. Krantz at (202) 225-5056.

Sincerely,



Frank Pallone, Jr.  
Chairman

Attachments

cc: Hon. Greg Walden, Ranking Member  
Committee on Energy and Commerce

Hon. Anna G. Eshoo, Chairwoman  
Subcommittee on Health

Hon. Michael C. Burgess, Ranking Member  
Subcommittee on Health

**Attachments—Additional Questions for the Record**

**Subcommittee on Health  
Hearing on  
“Prescription Drug Coverage in the Medicare Program”  
April 30, 2019**

**James E. Mathews, Ph.D.  
Medicare Payment Advisory Commission**

**The Honorable Gus M. Bilirakis**

1. Dr. Matthews - With Florida’s traditionally higher senior population, lowering prescription drug prices in Medicare is very important to me. As noted in MedPAC comments on the International Pricing Index (or IPI for short) last year, the “Drug Value Program” recommended previously by MedPAC would give vendors tools to negotiate lower prices. Under the Administration’s IPI proposal, they don’t include these tools, so it seems like instead the government is just setting the price directly.
  - Can you talk more about these differences, and—in particular—how your proposal would spur lower prices without direct government price-setting?
2. I’m a baseball fan. I know there are examples in the market where arbitration is used, like baseball. But developing breakthrough medicines is a lot different from developing starting pitchers and legislating a government-defined arbitration process is a lot different from negotiating one through a players’ union.
  - Do any of these examples involve setting prices at a national level, or just resolving disputes at an individual level?